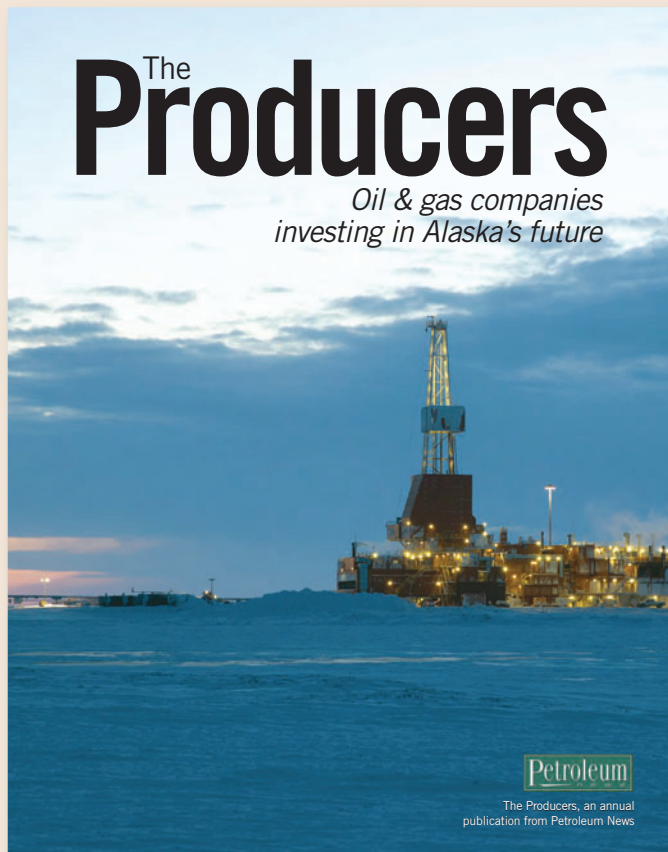




2024 Producers inside



The Producers is an annual magazine published by Petroleum News. It features the oil and gas companies currently producing oil and gas as well as those that will be in production within the next year.

Minke PA approved; sustained output expected start by February

On Dec. 23 Alaska's Division of Oil and Gas approved ConocoPhillips Alaska Inc.'s application for the Minke participating area within the CPAI-operated Colville River Unit, or CRU.

Currently, development of the MPA is planned to be from the existing Colville Delta 5, CD5, drill site. The first well, CD5-629, is set to be drilled in 2025, with sustained production anticipated to start by February 2025.

The MPA acreage lies onshore in the west central section of the CRU.

Under a delegation of authority from the commissioner of



DEREK NOTTINGHAM

see **MINKE PA** page 11

BLM making progress in sealing NPR-A legacy wells; just 6 remain

In a recent report on its legacy well remediation program in the National Petroleum Reserve-Alaska the Bureau of Land Management has said that only six wells still need to be plugged.

The agency said that the remediation program resulted from the drilling of 136 test wells in the reserve following the establishment of the reserve in 1923. The wells were drilled to try to locate oil and gas resources while also developing new technologies and pad designs for drilling in the Arctic. However, upon abandonment the wells were not adequately plugged and consequently became environmental hazards, with the potential to contaminate groundwater and cause flooding and the formation of sinkholes.

In 1976 BLM became responsible for managing the NPR-A and in 1982 the agency also became responsible for the oversight

see **LEGACY WELLS** page 8

EXPLORATION & PRODUCTION

Nuna first oil

ConocoPhillips Alaska North Slope project begins production Dec. 17

By **KAY CASHMAN**
Petroleum News

On Dec. 19, ConocoPhillips Alaska released a statement to the press saying that its North Slope Nuna project achieved first oil under budget and ahead of schedule on Dec. 17.

The Nuna project is the 49th drill site developed within the Kuparuk River Unit, or KRU, and is the first drill site developed in the Greater Kuparuk Area in nearly a decade.

"From fabrication to first oil, the Nuna project's milestones belong to Alaskans. The Nuna module was the first production module like this fabricated



EREC ISAACSON

in-state in more than two decades and demonstrates ConocoPhillips' commitment to Alaska. The fabrication took place right here in our backyard and was built by Alaskans," said Erec Isaacson, president of ConocoPhillips Alaska.

"Projects like Nuna create hundreds of in-state jobs, contribute to a stable local economy and demonstrate the remarkable resource development potential Alaska's legacy fields still have."

The Nuna project will add 29 development wells, on-pad infrastructure, and pipelines that tie back to existing KRU processing facilities.

see **NUNA FIRST OIL** page 10

LAND & LEASING

Finnex: SMU online

Southern Miluveach unit oil flowing into Alpine Pipeline as of Dec. 31

By **KAY CASHMAN**
Petroleum News

Oil production from the Southern Miluveach unit on Alaska's North Slope began at 5:30 p.m. on Dec. 29 and was expected to begin flowing into the Alpine Pipeline on New Year's Eve, Dec. 31, Harry Bockmeulen of Mustang Holding LLC, a Finnex Operating company and operator of the Southern Miluveach unit, or SMU, told Petroleum News Dec. 31.

The latest and 11th plan of development, or POD, that was approved for the SMU on Dec. 12 by Alaska's Division of Oil and Gas includes the unit's history, work undertaken during the 10th POD and anticipated activities for the 11th POD period.



HARRY BOCKMEULEN

The most significant work done in 2024 during the 10th POD was the successful drilling and completion of the M-03A and M-01B wells as part of the SMU phased drilling and well work activities program. Additionally, the North Tarn-1A well that was completed in 2012 was prepared to return to production.

Unit history

The SMU was formed on March 31, 2011, and currently contains five tracts covering approximately 8,960 acres.

On Dec. 4, 2020, the division approved Mustang Holding as operator of the SMU, after the previous

see **SMU ONLINE** page 9

FINANCE & ECONOMY

ANS ends 2024 lower

Alaska benchmark crude price drops 5.5% in 2024 despite end of year gains

By **STEVE SUTHERLIN**
Petroleum News

Alaska North Slope crude ended 2024 with a Dec. 31 closing price of \$73.43 per barrel, up 70 cents on the day, but down \$4.33 — some 5.5% — for the year from its close of \$77.76 Dec. 29, 2023.

West Texas Intermediate rose 73 cents Dec. 31 to close at \$71.43 — off 8 cents on the year, and Brent closed at \$74.64 — up 25 cents but down \$2.40 for the year.

Crude rose Dec. 31 on geopolitical risks in Ukraine and the Middle East, while the Brent mar-

ket was geared up for a cutoff in supply that never materialized, and the U.S. economy performed better than most parts of the world, according to Phil Flynn of the Price Futures Group.

"We've seen demand for oil in the U.S. hold up pretty well, total product demand has been very strong, and is above what it was a year ago," Flynn was quoted in Dow Jones Newswires, adding that the U.S. government added crude to the strategic petroleum reserve in 2024, but much less than releases in previous years.

"I think a smaller reserve means a higher WTI

see **OIL PRICES** page 10

● EXPLORATION & PRODUCTION

November ANS volume up 3.24% from October

Combined crude, NGLs averaged 486,248 bpd, up by 15,238 bpd from 471,010 bpd in October, up 3.18% from 471,245 bpd last November

By **KRISTEN NELSON**

Petroleum News

Alaska North Slope production averaged 486,248 barrels per day in November, up 15,238 bpd, 3.24%, from an October average of 471,010 bpd and up 3.18% from a November 2023 average of 471,245 bpd. The largest month-over-month increase was at Prudhoe Bay, with Kuparuk, Nikaichuq and Milne Point also seeing increases.

ANS crude averaged 430,607 bpd in November, 88.56% of the total volume, up 11,623 bpd, 2.77%, from an October average of 418,984 bpd and up 2.83% from a November 2023 average of 418,761 bpd. Natural gas liquids averaged 55,641 bpd, 11.44% of the total volume, up 3,615 bpd, 6.95%, from an October average of 52,026 bpd and up 6.02% from a November 2023 average of 52,483 bpd. NGLs come from Endicott, Northstar and Prudhoe Bay.

Temperatures in the North Slope Borough averaged 5.4 degrees F in November, down from 19.6 degrees in October, and up 7.6 degrees from a 1925-2000 mean of -2.2 degrees F.

Production data come from the Alaska Oil and Gas

Conservation Commission which reports production by field and well on a month delay basis.

Temperature data are from the county time series maintained by NOAA's National Centers for Environmental Information, which has North Slope Borough temperatures beginning in 1925.

Month-over-month gains

Hilcorp North Slope-operated Prudhoe Bay averaged 265,966 bpd in November, up 11,370 bpd, 4.47%, from an October average of 254,596 bpd and up 0.55% from a November 2023 average of 264,519 bpd. Prudhoe crude averaged 213,460 bpd in November, 80.26% of the total, up 7,880 bpd, 3.83%, from an October average of 205,580 bpd but down 1.01% from a November 2023 average of 215,630 bpd. Prudhoe NGLs averaged 52,507 bpd in November, 19.74% of the total, up 3,490 bpd, 7.12%, from an October average of 49,016 bpd and up 7.4% from a November 2023 average of 48,888 bpd.

In addition to the primary reservoir, production volumes from Prudhoe include Aurora, Borealis, Lisburne, Midnight Sun, Niakuk, Polaris, Point McIntyre, Put River, Raven and Schrader Bluff.

ConocoPhillips Alaska-operated Kuparuk River aver-

aged 81,530 bpd in November, up 2,651 bpd 3.36%, from an October average of 78,879 bpd and up 2.84% from a November 2023 average of 79,275 bpd. ConocoPhillips is the majority working interest owner at Kuparuk. The only other remaining WIO, ExxonMobil, holds just 0.36%; in October ConocoPhillips said it had bought out a 4.95% WIO previously held by Chevron at Kuparuk, with closing expected by the end of the year.

In addition to the main Kuparuk pool, Kuparuk produces from Coyote, Tabasco, Tarn, Torok and West Sak.

Hilcorp Alaska's Nikaichuq averaged 14,467 bpd in November, up 1,159 bpd, 8.71%, from an October average of 13,308 bpd but down 5.53% from a November 2023 average of 15,314 bpd. Hilcorp took over ownership of the field from Eni in October.

Hilcorp Alaska's Milne Point averaged 47,465 bpd in November, up 1,150 bpd, 2.48%, from an October average of 46,315 bpd and up 9.34% from a November 2023 average of 43,410 bpd.

Hilcorp has been growing Milne production since it took over a 50% working interest from BP Exploration (Alaska) and became operator in 2014. In 2020 Hilcorp

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Alaska-Mackenzie Rig Report

Rig Owner/Rig Type Rig No. Rig Location/Activity Operator or Status

Alaska Rig Status

North Slope - Onshore

All American Oilfield LLC			
IDECO H-37	AAO 111	Magtec Yard, Stacked	Available
Doyon Drilling			
Dreco 1250 UE	14 (SCR/TD)	Milne Point, R-143	Hilcorp Alaska LLC
Dreco 1000 UE	16 (SCR/TD)	Move to Pikka	Santos
Dreco D2000 Uebd	19 (SCR/TD)	Badami, Standby	Cook Inlet Energy LLC
AC Mobile	25	Kuparuk, 1H-106	ConocoPhillips
OIME 2000	141 (SCR/TD)	Deadhorse, Commissioning	Armstrong
	142 (SCR/TD)	Kuparuk, 3T-612	ConocoPhillips
TSM 700	Arctic Fox #1	Deadhorse, Standby	Available
ERD	26	Alpine, CD5-629	ConocoPhillips
Hilcorp Alaska LLC			
Rotary Drilling	Innovation	Prudhoe Bay, Z Pad	Hilcorp Alaska LLC
Nabors Alaska Drilling			
AC Coil Hybrid	CDR-2 (CTD)	Milne Point, CPF-02A	Hilcorp Alaska LLC
AC Coil	CDR-3 (CTD)	Prudhoe Bay	Hilcorp Alaska LLC
Dreco 1000 UE	7-ES (SCR-TD)	Kuparuk, 1B-09	ConocoPhillips
Dreco 1000 UE	9-ES (SCR/TD)	Stacked	Available
Oilwell 2000 Hercules	16-E (SCR/TD)	Stacked	Brooks Range Petroleum
Emsco Electro-hoist			
Oilwell 2000 Canrig 1050E	27-E (SCR-TD)	Stacked	Available
Academy AC Electric CANRIG	99AC (AC-TD)		Available
OIME 2000	245-E (SCR-ACTD)	12 Acre Pad, stacked	Available
Academy AC electric CANRIG	105-E (AC-TD)	Megrez-1	Pantheon Resources
Academy AC electric Heli-Rig	106AC (AC-TD)	Stacked	Available
Nordic Calista Services			
Superior 700 UE	1 (SCR/CTD)	Deadhorse	Available
Superior 700 UE	2 (SCR/CTD/TD)	Deadhorse, stacked	Available
Ideco 900	3 (SCR/TD)	Kuparuk	ConocoPhillips
Rig Master 1500AC	4 (AC/TD)	Oliktok Point	Hilcorp Alaska LLC
Parker Drilling Arctic Operating LLC			
NOV ADS-10SD	272	Pikka	Santos
NOV ADS-10SD	273	Milne Point	Hilcorp Alaska LLC

North Slope - Offshore

Doyon Drilling			
Sky top Brewster NE-12	15 (SCR/TD)	Nikaitchuq, Standby	Hilcorp Alaska LLC
Nabors Alaska Drilling			
OIME 1000	19AC (AC-TD)	Oooguruk, Cold Stacked	Hilcorp Alaska LLC

Cook Inlet Basin – Onshore

BlueCrest Alaska Operating LLC			
Land Rig	BlueCrest Rig #1	Stacked	BlueCrest Alaska Operating LLC
Nordic Calista LLC			
	Rig 37	Kenai	CINGSA
Hilcorp Alaska LLC			
TSM-850	147	Beluga River Unit, F Pad	Hilcorp Alaska LLC
TSM-850	169	Pearl Pad	Hilcorp Alaska LLC

Cook Inlet Basin – Offshore

Hilcorp Alaska LLC			
National 110	C (TD)	Platform C, Stacked	Hilcorp Alaska LLC
	Rig 51	Steelhead Platform, Stacked	Hilcorp Alaska LLC
	Rig 56	Monopod A-13, stacked	Hilcorp Alaska LLC
Baker Marine			
ILC-Skidoff, jack-up	Spartan 151	Cook Inlet	Hilcorp Alaska LLC
Glacier Oil & Gas			
National 1320	35	Osprey Platform, activated	Glacier Oil & Gas

Mackenzie Rig Status

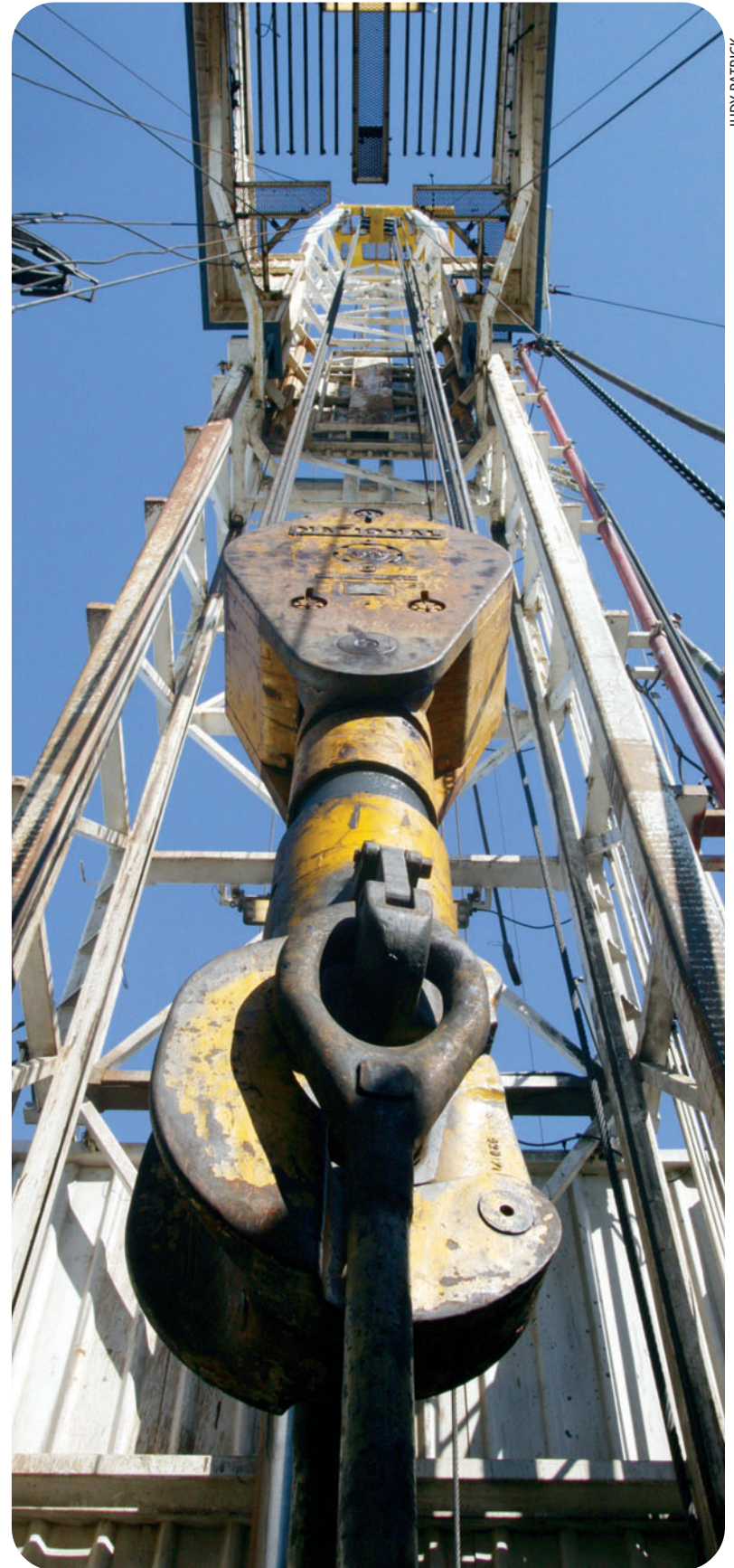
Canadian Beaufort Sea

SDC Drilling Inc.			
SDC Mobile Offshore Drilling Unit Rig #2		Set down at Roland Bay	Available

The Alaska-Mackenzie Rig Report as of December 31, 2024.
Active drilling companies only listed.

TD = rigs equipped with top drive units WO = workover operations
CT = coiled tubing operation SCR = electric rig

This rig report was prepared by Marti Reeve



JUDY PATRICK

Baker Hughes North America rotary rig counts*

	Dec. 27	Dec. 20	Year Ago
United States	589	589	622
Canada	95	166	86
Gulf of Mexico	12	12	18

Highest/Lowest

US/Highest	4530	December 1981
US/Lowest	244	August 2020

*Issued by Baker Hughes since 1944

The Alaska-Mackenzie Rig Report
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EXPLORATION & PRODUCTION

State OKs Pretty Creek pad expansion

Hilcorp Alaska applied in November to expand the existing Pretty Creek No. 2 pad, a request approved by the Alaska Department of Natural Resources, Division of Oil and Gas Dec. 10.

The expansion area would be some 1.3 acres and use 11,600 cubic yards of gravel fill.

The division said the project will provide space to accommodate drilling of new development wells in 2025 with the goal of increasing gas production within the Pretty Creek unit.

The PCU 2A well, a sidetrack, was spud in September 2024 and completed in early October, providing gas production for 24 days in October according to Alaska Oil and Gas Conservation Commission data. Prior to October, the field produced sporadically in recent years from the original PCU 2 well.

The division said the Pretty Creek No. 2 pad is on the west side of Cook Inlet some 5 miles northeast of the mouth of the Beluga River, within the Susitna Flats State Game Refuge.

In its application Hilcorp said the schedule for the pad expansion includes obtaining permits and conducting final survey activities in the fall of 2024, followed by gravel haul and placement continuing into the winter of 2025 and reworking gravel and completing the project in the winter and spring of 2025.

Original drilling at the Pretty Creek location, between the Beluga River and Ivan River fields, was by Halbouty Alaska Oil which drilled the Theodore River 1 in 1969, plugging and abandoning the well that same year.

When Chevron re-entered the well in 1979, it was renamed Pretty Creek 2.

AOGCC data show Pretty Creek producing from an undefined gas pool, with information on the PCU 2A sidetrack showing it targeting Sterling and Beluga sands.

—KRISTEN NELSON

FINANCE & ECONOMY

Oil price, volume, down in fall forecast

Compared to spring forecast, ANS price forecast decreased for FY 2025 by \$4.14 per barrel, output down 10,200 barrels per day

By KRISTEN NELSON

Petroleum News

Both the fiscal year 2025 Alaska North Slope crude oil price forecast and the ANS production forecast in the Alaska Department of Revenue's Revenue Sources Book Fall 2024, released Dec. 12, are down from the department's spring revenue forecast, released in March 2024.

The department said ANS West Coast oil prices averaged \$85.24 per barrel in fiscal year 2024 (July 1, 2023, through June 30, 2024), with the FY 2025 (July 1, 2024, through June 30, 2025) price projected at \$73.86 per barrel and the FY 2026 price at \$70 per barrel, down from the spring forecast of \$78 per barrel for ANS West Coast in FY25 and \$74 per barrel in FY26. By contrast, the FY24 price was up at \$85.24 compared with the spring forecast of \$84.08 per barrel.

The spring 2024 ANS production forecast was for 467,600 barrels per day; the fall forecast shows 461,000 barrels per day, down 1.4% from spring, and going forward ANS production in the fall forecast is down from spring through FY30, and then shows increases through the end of the forecast period in FY34. FY24 ANS production was down 1.4% from the spring forecast, with FY25 down 2.1% and FY26 down 2.6%, with larger decreases, 4.9% in FY27 and 6.1% in FY28, in the fall forecast.

ANS production

ANS production is forecast at 466,600 bpd in FY25, with increases in each of the years in the forecast period to 469,500 bpd in FY26 and ending the forecast period at 656,900 bpd in FY34.

At Prudhoe Bay and the Prudhoe satellites (a forecast category which includes Aurora, Borealis, Midnight Sun, Orion, Polaris, Sag River and Milne Point, which is not part of Prudhoe), production is forecast to steadily decrease, beginning in FY26, after an increase from FY24 to FY25 from 187,100 bpd at Prudhoe and 83,800 bpd at the Prudhoe satellites to 190,100 bpd at Prudhoe and 88,400 bpd at the satellites. From then out through the end of the forecast period, production at Prudhoe and its satellites declines, reaching 155,800 bpd at Prudhoe and 62,700 bpd at the Prudhoe

satellites by FY34. At Greater Point McIntyre (Lisburne, Niakuk, Point McIntyre and Raven), part of greater Prudhoe Bay, decline is steady from 27,800 bpd in FY24 to 27,300 bpd in FY25, reaching 17,200 bpd in FY34.

Decline at Kuparuk is steady from 51,600 bpd in FY24 to 28,600 bpd in FY34, while the Kuparuk satellites (Coyote, Nuna-Torok, Tabasco, Tarn and West Sak), increase from 25,000 bpd in FY24 to 57,800 bpd in FY28, and then decline through FY34 to 38,600 bpd, with Coyote and Nuna-Torok currently seeing development drilling.

Endicott, a category which includes Badami, Duck Island unit Minke, Eider, Endicott and Sag Delta, production grows from 7,000 bpd in FY24 to 10,400 bpd in FY26 before beginning to decline, ending the forecast period at 5,300 bpd.

Alpine, which includes Alpine, Colville River unit Minke, Fiord West, Mustang, Nanuq, Narwhal and Qannik, shows a decline from 34,300 bpd in FY24 to 28,800 bpd in FY29 and then increasing from 31,000 bpd in FY31 to 46,200 bpd in FY34.

The offshore category — Hooligan, Nikaitchuq, Northstar and Ooguruk — decreases steadily from 26,000 bp in FY24 to 14,800 bpd in FY34.

The National Petroleum Reserve-Alaska, which includes Greater Mooses Tooth and Willow, declines from 16,100 bpd in FY24 to 7,100 bpd in FY29, before increasing to 25,400 bpd in FY30 and ending the forecast period at 141,600 bpd in FY34 as Willow volumes kick in.


Point Thomson, which includes Sourdough, increases from 2,200 bpd in FY24 to 4,000 bpd in FY25, reaching 8,100 bpd in FY28 and declining through 7,100 in FY33 before increasing to 7,500 bpd in FY34.

The category of other (projects under development or evaluation where production is forecast within 10 years: Alkaid, Pikka, Quokka, Talitha and Theta West), shows production forecast to begin in FY26 at 6,400 bpd — with expected beginning of Pikka production — and reaching 138,600 bpd in FY34. ●

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Cook Inlet gas up marginally

Cook Inlet natural gas production averaged 190,313 thousand cubic feet per day in November, up 856 mcf per day, 0.45%, from an October average of 189,457 mcf per day but down 2.65% from a November 2023 average of 195,484 mcf per day.

Volumes are calculated from Alaska Oil and Gas Conservation Commission data, reported on a month-delay basis. For natural gas AOGCC reports measurements in thousands of cubic feet, mcf.

The five largest Cook Inlet gas fields accounted for 77.8% of November production.

Hilcorp's North Cook Inlet averaged 46,783 mcf per day, 24.58% of the total, up 2,067 mcf per day, 4.62%, from an October average of 44,716 mcf per day and up 34.93% from a November 2023 average of 34,672 mcf per day.

Hilcorp-operated Beluga River (Chugach Electric Association is the majority working interest owner at Beluga) averaged 46,014 mcf per day in November, 24.18% of the inlet total, up 2,573 mcf per day, 5.92%, from an October average of 43,441 mcf per day and up 17.21% from a November 2023 average of 39,258 mcf per day.

Hilcorp's Ninilchik averaged 26,532 mcf per day in November, 13.94% of the total, down 425 mcf per day, 1.58%, from an October average of 26,957 mcf per day and down 31.63% from a November 2023 average of 38,805 mcf per day.

Hilcorp's Kenai gas field averaged 17,934 mcf per day in November, 9.42% of the total, down 141 mcf per day, 0.78%, from an October average of 18,075 mcf per day and down 4.74% from a November 2023 average of 18,827 mcf per day.

Hilcorp's McArthur River averaged 10,807 mcf per day in November, 5.68% of the total, down 513 mcf per day, 4.53%, from an October average of 11,302 mcf per day and down 20.19% from a November 2023 average of 13,542 mcf per day.

The remaining 17 fields accounted for a combined 22.2% of inlet production, in percentages ranging from 4.62% to 0.07%.

Furie's Kitchen Lights averaged 8,792 mcf per day in November, down 312 mcf per day, 3.43%, from an October average of 9,104 mcf per day and down 14.46% from a November 2023 average of 10,278 mcf per day.

Hilcorp's Swanson River averaged 7,407 mcf per day, down 1,324 mcf per day, 15.16%, from an October average of 8,731 mcf per day but up 82.26% from a November 2023 average of 4,064 mcf per day.

Hilcorp's Cannery Loop averaged 4,798 mcf per day in November, down 4 mcf per day, 0.08%, from an October average of 4,802 mcf per day and down 5.81% from a November 2023 average of 5,094 mcf per day.

Hilcorp's Beaver Creek averaged 4,446 mcf per day in November, down 556 mcf per day, 11.12%, from an October average of 5,002 mcf per day and down 59.55% from a November 2023 average of 10,991 mcf per day.

Hilcorp's Granite Point averaged 2,947 mcf per day in November, down 72 mcf per day, 2.4%, from an October average of 3,020 mcf per day and down 11.72% from a November 2023 average of 3,339 mcf per day.

Hilcorp's Lewis River averaged 2,922 mcf per day in November, up 459 mcf per day, 18.62%, from an October average of 2,464 mcf per day and up 53.54% from a November 2023 average of 1,903 mcf per day.

Hilcorp's Deep Creek averaged 2,808 mcf per day in November, down 14 mcf per day, 0.5%, from an October average of 2,822 mcf per day and down 21.72% from a November 2023 average of 3,587 mcf per day.

AIX's Kenai Loop averaged 1,907 mcf per day in November, up 12 mcf per day, 0.64%, from an October average of 1,894 mcf per day but down 14.46% from a November 2023 average of 2,229 mcf per day.

Vision Operating's North Fork averaged 1,748 mcf per day in November, down 25 mcf per day, 1.38%, from an October average of 1,772 mcf per day and down 15.93% from a November 2023 average of 2,079 mcf per day.

Hilcorp's Ivan River averaged 1,131 mcf per day in November, down 1,297 mcf per day, 53.41%, from an October average of 2,428 mcf per day and down 70.38% from a November 2023 average of 3,820 mcf per day.

BlueCrest's Hansen averaged 986 mcf per day in November, down 15 mcf per day, 1.46%, from an October average of 1,000 mcf per day and down 9.03% from a November 2023 average of 1,084 mcf per day.

Hilcorp's Trading Bay averaged 840 mcf per day in November, down 3 mcf per day, 0.36%, from an October average of 843 mcf per day and down 26.25% from a November 2023 average of 1,139 mcf per day.

Hilcorp's Pretty Creek averaged 483 mcf per day in November, after showing no production in October, and was up 2440.7% from a November 2023 average of 19 mcf per day.

Amaroq's Nicolai Creek averaged 444 mcf per day in November, down 54 mcf per day, 10.93%, from an October average of 498 mcf per day and up 195.91% from a November 2023 average of 150 mcf per day.

Cook Inlet Energy's West McArthur River averaged 244 mcf per day in November, up 21 mcf per day, 9.67% from an October average of 222 mcf per day but down 8.65% from a November 2023 average of 267 mcf per day. CIE is a Glacier Oil and Gas company.

Hilcorp's Nikolaevsk averaged 197 mcf per day in November, down 6 mcf per day, 3.06%, from an October average of 203 mcf per day and down 3.6% from a November 2023 average of 205 mcf per day.

CIE's Redoubt Shoal averaged 141 mcf per day in November, down 2 mcf per day, 0.99%, from an October average of 143 mcf per day but up 5.27% from a November 2023 average of 134 mcf per day.

Cook Inlet natural gas production peaked in 1990 at more than 850,000 mcf per day.

—KRISTEN NELSON

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continued from page 2

ANS OUTPUT

acquired the remaining 50% WIO at Milne when it acquired BP's remaining assets in Alaska.

Milne Point produces primarily from the Schrader Bluff and Kuparuk oil pools, with minor Sag River and Ugnu volumes.

There were smaller month-over-month increases at Endicott and Northstar.

Hilcorp Alaska-operated Endicott averaged 5,625 bpd in November, up 191 bpd from an October average of 5,434 bpd, 3.51%, but down 12.95% from a November 2023 average of 6,461 bpd. Endicott crude averaged 5,133 bpd, 91.27% of the total, up 187 bpd, 3.78%, from an October average of 4,946 bpd but down 6.47% from a November 2023 average of 5,488 bpd. Endicott NGLs averaged 491 bpd in November, 8.73% of the total, up 4 bpd, 0.78%, from an October average of 487 bpd but down 49.5% from a November 2023 average of 973 bpd.

Hilcorp Alaska's Northstar averaged 5,335 bpd in November, up 102 bpd, 1.94%, from an October average of 5,233 bpd, but down 6.78% from a November 2023 average of 5,722 bpd. Northstar crude averaged 2,691 bpd in November, 50.44% of the total, down 19 bpd, 0.71% from an October average of 2,710 bpd and down 13.19% from a November 2023 average of 3,100 bpd. Northstar NGLs averaged 2,644 bpd in November, 49.56% of the total, up 121 bpd, 4.8%, from an October average of 2,523 bpd and up 0.81% from a November 2023 average of 2,622 bpd.

Month-over-month declines

There were month-over-month declines at five North Slope fields.

Savant Alaska's Badami averaged 3,257 bpd in November, down 553 bpd, 14.51%, from an October average of 3,809 but, but up 254.9% from a November 2023 average of 918 bpd. The largest month-over-month decrease at Badami was from the Badami B1-33A, which produced 92,650 barrels in October, dropping to a total of 73,626 barrels in November. Savant is a Glacier Oil and Gas company.

Hilcorp-operated Point Thomson averaged 4,342 bpd in November, down 292 bpd, 6.31%, from an October average of 4,634 bpd but up 25.99% from a November 2023 average of 3,446 bpd.

ConocoPhillips' Colville River averaged 35,657 bpd in November, down 240 bpd, 0.67%, from an October average of 35,898 bpd but up 14.98% from a November 2023 average of 31,012 bpd. In addition to oil from the main Alpine pool, Colville includes production from

the Nanuq and Qannik oil pools.

ConocoPhillips' Greater Mooses Tooth averaged 16,484 bpd in November, down 205 bpd, 1.23%, from an October average of 16,689 bpd but up 9.84% from a November 2023 average of 15,008 bpd.

At Oooguruk, which Hilcorp acquired from Eni in October, production averaged 6,121 bpd in November, down 94 bpd, 1.15%, from a November average of 6,215 bpd and down 0.63% from a November 2023 average of 6,160 bpd.

Cook Inlet crude down 3.55%

Production from Cook Inlet — 98.99% crude and 1.01% NGLs — averaged 8,135 bpd in November, down 300 bpd, 3.55%, from an October average of 8,435 bpd and down 11.35% from a November 2023 average of 9,176 bpd.

Hilcorp's Swanson River averaged 745 bpd in November (662 bpd of crude and 83 bpd of NGLs), up 53 bpd, 7.67%, from an October average of 692 and up 2.1% from a November 2023 average of 730 bpd.

Hilcorp's McArthur River averaged 2,461 bpd in November, up 3 bpd, 0.14%, from an October average of 2,458 bpd but down 8.9% from a November 2023 average of 2,702 bpd.

Hilcorp's Trading Bay averaged 883 bpd in November, up 3 bpd, 0.32%, from an October average of 880 bpd but down 3.57% from a November 2023 average of 915 bpd.

BlueCrest's Hansen averaged 634 bpd in November, up 2 bpd 0.32%, from an October average of 632 but down 9.41% from a November 2023 average of 700 bpd.

Cook Inlet Energy's West McArthur River average 751 bpd in November, down 183 bpd, 19.6%, from an October average of 934 bpd and down 30.7% from a November 2023 average of 1,084 bpd. CIE is a Glacier Oil and Gas company.

CIE's Redoubt Shoal averaged 487 bpd in November, down 101 bpd, 17.18%, from an October average of 587 bpd and down 8.03% from a November 2023 average of 529 bpd.

Hilcorp's Granite Point averaged 1,982 bpd in November, down 73 bpd, 3.54%, from an October average of 2,055 bpd and down 10.07% from a November 2023 average of 2,204 bpd.

Hilcorp's Beaver Creek averaged 192 bpd in November, down 4 bpd, 2.05%, from an October average of 196 bpd and down 38.49% from a November 2023 average of 313 bpd.

ANS crude oil production peaked in 1988 at 2.1 million bpd; Cook Inlet crude oil production peaked in 1970 at more than 227,000 bpd.●

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LAND & LEASING

State reduces rental rate on work done

The Alaska Department of Natural Resources' Division of Oil and Gas has approved rental reduction on oil and gas lease ADL 393571, 4,502.7 contiguous acres some 4 miles west of the Ninilchik Airport.

Hilcorp Alaska, which acquired the lease effective Jan. 1, 2018, requested the reduction based on work done.

The rental rate under the lease terms is \$10 per acre for the first through seventh years of the 10-year lease term, and \$250 an acre for the eighth through the tenth years of the lease.

Upon production from the lease, or evidence of "reasonable diligence in exploring and developing" the lease, the division has the discretion to reduce the rental to \$10 per acre.

A Dec. 20 decision signed by division Director Derek Nottingham said Hilcorp provided information on expenditures for work on the lease including:

- Happy Creek 8 stratigraphic test well, spud and completed in July 2022;
- Marine vibroseis seismic survey initiated and completed in October 2023, in which the company acquired 2D seismic data extending from the Pearl participating area in the Ninilchik unit southwesterly to and within lease ADL 393571; and
- Sterling Highway 2D vibe line, acquired in March and April of 2024, with data acquired onshore from Clam Gulch in the Ninilchik unit to Anchor Point near the Seaview unit and on the lease along the Sterling Highway.

The division said the 2D seismic data acquired on the lease and in the vicinity "contributes to understanding potential for oil and gas accumulations between two producing units along Cook Inlet."

"Based on the expenditures made and the exploration work completed, Hilcorp has exercised reasonable diligence to explore and develop the Lease," the division said, approving the \$10 per acre rental rate for the remainder of the effective lease term, effective Jan. 1, 2025.

—KRISTEN NELSON

The rental rate under the lease terms is \$10 per acre for the first through seventh years of the 10-year lease term, and \$250 an acre for the eighth through the tenth years of the lease.

EXPLORATION & PRODUCTION

Both coastal areas open for tundra travel

Both the eastern and western coastal areas of North Slope state lands are open for tundra travel, with a Dec. 23 opening for the eastern coastal area followed by a Dec. 30 opening for the western coastal area. The Alaska Department of Natural Resources' Division of Mining, Land and Water said it has documented that soil temperatures and snow cover have met the criteria for opening: 6 inches of snow and soil temperatures colder than -5 degrees C at a depth of 30 centimeters.

Openings apply only to operators with valid off-road vehicle travel permits to operate on state-owned North Slope lands.

The division cautioned that while overall snow cover is good areas with thin snow cover should be avoided or special construction methods used to protect the tundra service.

The division said questions should be directed to the appropriate DNR permitting section.

—PETROLEUM NEWS

EXPLORATION & PRODUCTION

Kuparuk pipeline, pad expansions planned

By KRISTEN NELSON

Petroleum News

ConocoPhillips Alaska has applied for a gravel expansion of its Drillsite 3T pad in the Kuparuk River unit and for new pipelines between the DS 3S and DS 2X pads, both in the area where the company has recently received approval of the Coyote and Torok participating areas.

In applications to the Alaska Department of Natural Resources' Division of Oil and Gas, ConocoPhillips said work is planned for 2025 at the DS 3T gravel expansion, and for 2025-26 for the pipeline work.

In its application for the pipelines, the company said increased production in the Greater Kuparuk area "is exceeding the processing capacity at Central Processing Facility 3," with the ongoing development at DS 3S and DS 3T expected to "result in a significant increase of produced oil," making it necessary to install new pipelines so additional oil can be routed the Central Processing Facility 2 where there is capacity to handle additional oil.

Coyote, Torok PAs

The division approved an expansion of the Kuparuk River unit and formation of the Coyote PA in October, with Coyote wells to be drilled from both DS 3S and DS 3T. Some 30 to 40 additional wells are planned for Coyote development, half producers and half injectors.

Formation of the Torok PA was also approved in October, with up to eight wells in the Torok PA part of the 2024-25 Kuparuk plan of development, which covers Aug. 1, 2024, through July 31, 2025. Existing Coyote wells are from DS 3S, but the company said 3T will accommodate both Torok and Coyote production.

DS 3T expansion

ConocoPhillips said the 3T pad expansion will involve placing some 33,172 cubic yards of clean gravel fill and erosion control bags filled with clean gravel onto some 2.56 acres of tundra, expanding the pad to the north, east and south, allowing "clearance for traffic and equipment to safely pass around the drill rig and frac fleets."

The company said the existing DS 3T pad is lined with erosion control bags, and the same will be true of the expansion area, protecting "against possible erosion in the event of a 100-year flood."

Work on the pad expansion is scheduled to begin Feb. 1 or once permits are received.

DS 3S to DS 2X pipelines

The pipeline installation consists of 10.8 miles of pipeline from DS 3S to DS 2X, including a 20-inch diameter produced oil pipeline, a 10-inch diameter water-injections pipeline and space for a future pipeline, the company said in its application, and will include piping, vertical support members, access platforms, cable trays and guardrails, with all work taking place from existing gravel and ice infrastructure in the Kuparuk River unit.

Work on the pipelines is scheduled to begin Nov. 1, 2025.

The company said the produced oil line will be connected to existing structure near the DS 2U pipeline access road.

The pipelines will begin at DS 3S some 11.3 miles west of CPF-3.

All permit applications were scheduled to be submitted in the fourth quarter of 2024, with vertical support member and pipeline installation from the fourth quarter of 2025 into the second quarter of 2026. ●

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ENVIRONMENT & SAFETY

BLM issues Teshekpuk Lake right of way

On Dec. 17 the Bureau of Land Management announced that it had issued a right of way to Nuiqsut Trilateral Inc. for the protection of the Teshekpuk Caribou Herd and its key habitat in the Teshekpuk Lake Special Area of the National Petroleum Reserve-Alaska. The right of way encompasses about 1 million acres in the northerly sector of the 3.6 million acre special area. Nuiqsut Trilateral is a non-profit corporation formed by the Native Village of Nuiqsut, Kuukpik Corp. and the City of Nuiqsut.

The objective of the right of way is to enable the Nuiqsut community to ensure that the caribou herd and associated subsistence uses are not adversely impacted by ConocoPhillips' nearby Willow oilfield development — the village of Nuiqsut is the closest community to the Willow field.

The Willow field has one planned well pad within the special area, but not within the newly designated right of way. And there are no existing oil and gas leases within the right of way. The right of way will continue in existence for the duration of the Willow project and until any impacted caribou habitat has been effectively restored, BLM says.

Under the terms of the right of way Nuiqsut Trilateral will have the authority to enforce restrictions on oil and gas development within the right of way area. BLM says that restrictions potentially include new oil and gas leasing; the construction of surface infrastructure related to oil and gas and mineral exploration, development and mining; the extraction of resources including oil and gas, other mineral resources, and gravel; and the construction of roads and pipelines in support of oil and gas activities. However, Nuiqsut Trilateral will also be able to waive restrictions on behalf of the communities that the restrictions are designed to benefit, BLM says.

The right of way agreement derives from an environmental mitigation measure within the special environmental impact statement for the Willow development, BLM says.

—ALAN BAILEY

UTILITIES

RTO files for its certificate with RCA

The Railbelt Transmission Organization has filed an application for its certificate of public necessity and convenience with the Regulatory Commission of Alaska. Mandated by House Bill 307, passed into law earlier this year, the RTO is being formed within the Alaska Energy Authority. The organization is tasked with developing and overseeing a new Railbelt electricity transmission tariff arrangement that removes current impediments to competition in the bulk power market in the Railbelt. Because of the manner in which the current tariffs for the use of different sectors of the transmission grid stack on top of each other, the current tariff arrangements tend to obstruct the development of new power generation that could transmit power over long distances.

Under the statute the organization has to file a new transmission tariff protocol by July 1. And, although the RTO is not a utility, the statute requires the organization to be regulated under the same terms as those for a utility. Hence the need for an RCA approved CPCN. The RTO is governed by a committee consisting of an AEA representative, a representative from each Railbelt electric utility, and a representative from the Railbelt Reliability Council. According to the certificate application, the RTO is being organized along similar lines to the arrangements for managing the Bradley Lake hydropower facility in the southern Kenai Peninsula — the RTO's bylaws are modeled on the Bradley Lake bylaws.

The certificate application says that, for the development and oversight of a new tariff system, the RTO has access to staff in the utilities who have expertise and experience in the holding and administration of open access transmission tariffs. In addition the Alaska Legislature is providing funds for the hiring of a financial analyst and an RTO director. The application also comments that the open access transmission tariff will be a complex document involving, among other things, a definition of what transmission assets fall within the definition of the Railbelt's "backbone transmission system," and the revenue mechanism for the system as required under HB 307.

"Although progress has been made, the RTO is still in the early stages of this process and will need all of the time between now and the July 1, 2025, deadline to get the OATT ready to file," the certificate application says.

—ALAN BAILEY

GOVERNMENT

Comments asked on CD1 gravel expansions

On Dec. 18 the Alaska Department of Natural Resources' Division of Oil and Gas posted a public notice asking for comments on ConocoPhillips Alaska Inc.'s Colville Delta 1 gravel expansions.

The two unit plan of operations amendment applications were filed on Nov. 19 and Nov. 26 by CPAI requesting authorization to expand the existing Colville Delta 1, or CD1, gravel pad in the Colville River Unit, or CRU.

The plans propose two separate gravel expansions of 0.92 acres and 0.48 acres to the CD1 gravel pad.

The 0.92-acre gravel expansion will extend the northeast area of the Alpine Operating Center and will allow for the installation of up to 55 powered and unpowered conexes, a new aviation warm storage tent, and a new bull rail.

A 91-foot trench will be excavated on the gravel expansion area to install a new power cable that will tie-in power from the existing Shark Tooth Camp to the new infrastructure.

The 0.48-acre gravel expansion will extend the west side of the CD1 pad to provide space for rig movement and increase safety of vehicle and equipment traffic. The projects are scheduled to begin Feb. 15, and Feb. 1, respectively.

The application package is available for review at the division's Permitting Section, 550 West 7th Avenue, Suite 1100, Anchorage, AK 99501, or online at <http://dog.dnr.alaska.gov/Newsroom>.

Please send comments to the division by email to dog.permitting@alaska.gov or by regular mail to the division address above.

All comments must be in writing. A copy of the final decision will be sent to any person who provides written comments.

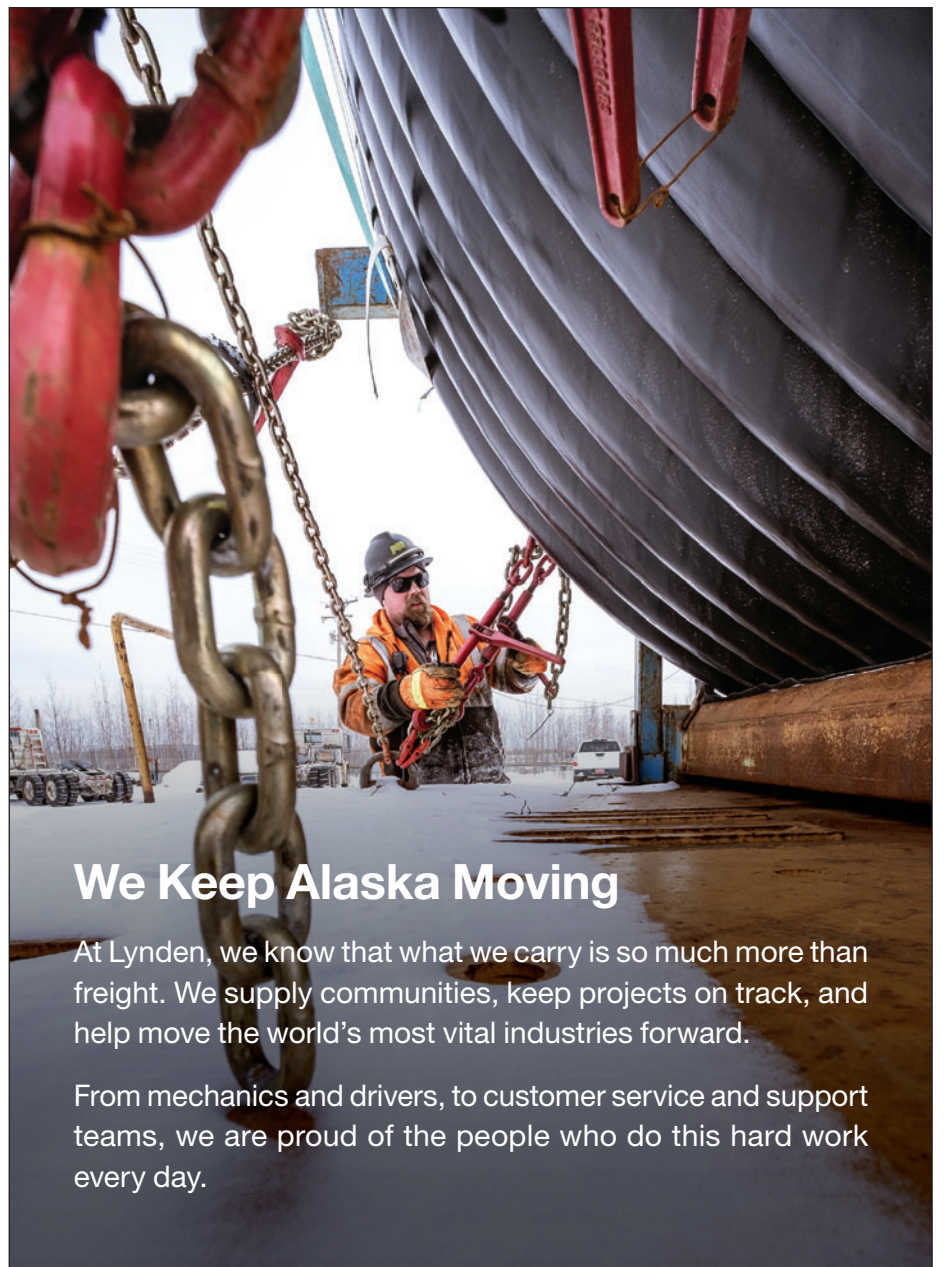
An eligible person affected by this decision may appeal or request the commissioner's reconsideration in accordance with 11 AAC 02.

All comments must be received by the comment deadline: 4:30 p.m., Alaska Standard Time, Jan. 18.

DNR complies with Title II of the Americans with Disabilities Act of 1990. This notice will be made available in alternative communication formats upon request. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate may contact the address above or call 907-269-8411.

—PETROLEUM NEWS

A 91-foot trench will be excavated on the gravel expansion area to install a new power cable that will tie-in power from the existing Shark Tooth Camp to the new infrastructure.



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LAND & LEASING

State OKs SDI data center land use permit

A land use permit has been approved for installation of a temporary data center module at the Satellite Drilling Island in the Duck Island unit on the North Slope.

TA Infrastructure Management LLC of Austin, Texas, applied Nov. 5 to install a 10-foot by 40-foot data center module on a trial basis at the Satellite Drilling Island. The Alaska Department of Natural Resources' Division of Oil and Gas said in its Dec. 19 permit approval that the center would contain 1.4 megawatts of bitcoin mining computers and consumer power from existing Hilcorp Alaska-owned power generation equipment.

"The purpose of this project is to demonstrate the ability to operate data center infrastructure on the North Slope and identify any logistical or operational challenges that a larger project might have," the division said.

The test is planned for a 4-year period, but the division said a fifth year may be used for testing if necessary. The module will be installed on the southeastern corner of the Satellite Drilling Island.

—PETROLEUM NEWS

EXPLORATION & PRODUCTION

Hilcorp to drill more J pad Milne wells

Hilcorp Alaska, working interest owner and operator at the North Slope Milne Point unit, has received approval from the Alaska Department of Natural Resources' Division of Oil and Gas for a unit plan of operations amendment adding up to 10 new grassroots development wells and associated infrastructure at the Milne Point J Pad.

In a Dec. 11 approval the division said Hilcorp will use Doyon 14 for the drilling, with all activities within the existing J Pad footprint.

In its 43rd POD, submitted in mid-October and covering Jan. 13, 2025, through Jan. 12, 2026, Hilcorp said it planned 19 rotary wells with 18 potential candidates in the Schrader Bluff formation — half producers, half injectors — and one Kuparuk producer. The 10 wells in the POD amendment application would bring that total to 29.

Hilcorp took over as operator at Milne from BP Exploration (Alaska) with a 50% working interest ownership in 2014, acquiring the remaining interest in Milne with its purchase of BP's Alaska assets in 2020, and has been growing production at the unit since.

In the most recent production data available from the Alaska Oil and Gas Conservation Commission, for November, J Pad accounted for 9.2% of Milne production.

—KRISTEN NELSON

EXPLORATION & PRODUCTION

Baker Hughes US rig unchanged at 589

By KRISTEN NELSON

Petroleum News

The Baker Hughes' U.S. rotary drilling rig count was 589 on Dec. 27, unchanged from the previous week, down by 33 from 622 a year ago and unchanged from two weeks ago. Over the last eight weeks the rig count was unchanged in four weeks, down in three and up in one week with a gain of seven and losses of three, a change from the downward trend dominant since the beginning of May. This is the lowest domestic rig count since January 2022.

A drop of 17 to 731 on May 12, 2023, was the steepest weekly drop since June of 2020, during the first year of the COVID-19 pandemic, when the count also dropped by 17 to 284 on June 5, following drops as steep as 73 rigs in one week in April. The count continued down to 251 at the end of July 2020, reaching an all-time low of 244 in mid-August 2020.

For 2024, the count peaked March 1 (and again March 15) at 629, hitting its low point June 28 at 581. In 2023 the count peaked early in the year at 775 on Jan. 13, bottoming out Nov. 10 at 616.

When the count dropped to 244 in mid-August 2020, it was the lowest the domestic rotary rig count had been since the Houston based oilfield services company began issuing weekly U.S. numbers in 1944.

Prior to 2020, the low was 404 rigs in May 2016. The count peaked at 4,530 in 1981.

The count was in the low 790s at the beginning of 2020 prior to the COVID-19 pandemic, where it remained through mid-

March of that year when it began to fall, dropping below what had been the historic low in early May with a count of 374 and continuing to drop through the third week of August 2020 when it gained back 10 rigs.

The Dec. 27 count includes 483 rigs targeting oil, unchanged from the previous week and down 17 from 500 a year ago, with 102 rigs targeting natural gas, unchanged from the previous week and down 18 from 120 a year ago, and four miscellaneous rigs, unchanged from the previous week and up by two from a year ago.

Forty-nine of the rigs reported Dec. 27 were drilling directional wells, 527 were drilling horizontal wells and 13 were drilling vertical wells.

Alaska rig count unchanged

North Dakota (36) was up by one rig from the previous week while Texas (284) was down by one.

Rig counts in other states were unchanged from the previous week: Alaska (10), California (6), Colorado (10), Louisiana (31), New Mexico (103), Ohio (9), Oklahoma (43), Pennsylvania (15), Utah (12), West Virginia (10) and Wyoming (18).

Baker Hughes shows Alaska with 10 rotary rigs active Dec. 27, unchanged from the previous week and unchanged from a year ago.

The rig count in the Permian, the most active basin in the country, was unchanged from the previous week at 304 and down by five from 309 a year ago. ●

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LEGACY WELLS

of all onshore oil and gas actions on public lands. Consequently, since 2002 BLM has been operating a program to plug and clean up legacy wells throughout the NPR-A, using a strategic plan that is regularly reviewed and updated, BLM says.

Plugging a well involves a multi-step process requiring an inspection of the site, site preparation and the pumping in of plugging materials such as cement. Underground plugs seal the oil and gas production zones, and porous rock formations. Following pressure tests of the adequacy of the sealing process, and with additional sealing, if necessary, the well is capped and reclamation of the surface area around the well begins. The entire process for a single well can take a year or more to complete, BLM says.

Conducting this work in the Arctic conditions of Alaska's North Slope proves particularly challenging. While specialized equipment is needed to prevent damage to the delicate surface of the tundra, work cannot commence until tundra operations are approved for the winter season, when there is adequate snow cover and sufficient frost depth for tundra protection. In the absence of adequate protection, it can take years or even decades for some delicate Arctic plant species to recover, BLM says.

Although the materials used to plug the wells are similar to those used in the Lower 48, plugging operations on the North Slope require a special blend of cement designed to properly harden in frozen ground conditions, the agency says.

Given the various complexities it can

take at least six to eight months to plan a remediation project. And, depending on the location of the project, access to the well site can require a snow trail that is more than 100 miles in length, taking several days to traverse, BLM says.

Each legacy well remediation project tends to be unique, with its own challenges, depending on factors including the well location, well downhole conditions, the material used for the original drilling and the specialized equipment required for the remediation, BLM says. And, for a well drilled near the coast, there can also be the threat of coastal erosion impacting the well site. This type of situation requires close monitoring, with the development of plans to address the erosion threat.

BLM says that its well remediation program involves coordination with various federal and state entities, including the Alaska Oil and Gas Conservation Commission, the Alaska Department of Environmental Conservation and Alaska Native corporations. BLM also collaborates with Native-owned small businesses, the agency says.

BLM says that it has collaborated with its partners in its well remediation program every winter since the program began. And now only 22 of the original 136 wells have not been remediated. However, the U.S. Geological Survey uses 16 of these remaining wells for monitoring Arctic temperatures. Consequently, BLM now only has six wells that still need to be plugged, the agency says.

—ALAN BAILEY

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SMU ONLINE

operator and field developer, Brooks Range Petroleum Corp., defaulted on its loan agreement with the Alaska Industrial Development and Export Authority.

Despite the default initiated by AIDEA, Brooks Range was the first small independent to bring an oil field online on Alaska's North Slope, producing its North Tarn-1A well from the Kuparuk River pool for one month in 2019, a total of 10,999 barrels over a 23-day period.

The field became a wholly owned subsidiary of AIDEA due to the default. Ownership then passed from AIDEA to Finnex on Oct. 27, 2023.

Mustang Holding obtained the required environmental and operating permits necessary to resume production and development in the SMU and fulfilled the requisite bond-

ing requirements with state agencies. During the 2024, or 10th POD period, and continuing into the 2025 11th POD period, the company reported that early process facilities, or EPFs, are being refurbished when possible, and new equipment is being installed as necessary.

In its June 3 application to the Alaska Oil and Gas Conservation Commission, or AOGCC, Mustang Holding said its first injection into the SMU portion of the Kuparuk oil pool was expected in the fourth quarter of 2024, with fluids injected for pressure maintenance and enhanced recovery of hydrocarbons.

The Kuparuk oil pool in the SMU is a continuation of Kuparuk C and Kuparuk A sands "adjacent to the southwest portion of the Kuparuk River Unit," Mustang Holding said.

Phase 1, which was completed in the 10th POD period, included re-installation of

the production facilities, re-entering existing wells, reconnecting the Mustang Pipeline and returning the field to production.

Additional wells will be drilled in Phase 2 to keep production in the target range of 4,000 barrels per day, and will include expansion of waterflood operations, Mustang told AOGCC.

Depending on results from earlier phases, additional wells will be drilled to bring the total to as many as 11 horizontal or vertical producers and 10 horizontal or vertical injectors. The company said the EPFs would be "debottlenecked or replaced by additional facilities modules if warranted by longer term production results, reservoir performance, and potential third party or multi-horizon Mustang field development."

On Oct. 2, the division received the proposed 2025 SMU 11th POD from Mustang Holding.

Among others the 11th POD contains the

following work commitments:

- Completion of EPF installation, including commissioning of a seawater import line for reservoir pressure maintenance.

- Completion of the 5-acre pad expansion utilizing the gravel material extracted from the SMU mine site. The expansion will allow the accommodation facilities to be relocated further from the production operations area and provide for an additional lay-down area.

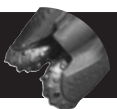
- Enhancing production performance. Improved production will be tested by fracture stimulation of the Kuparuk A and C sands in the M-01B and M-03A wells, as well as fracture stimulation of the M-02 if deemed appropriate.

Additional drilling and well work activities will continue in 2026 to further appraise the reservoir and define its scope. ●

Contact Kay Cashman at publisher@petroleumnews.com



Oil Patch Bits



Coffman welcomes Senior Project Manager James Wiseman

Coffman Engineers Inc. recently said that it is pleased to welcome Senior Project Manager James Wiseman to its project management team. Wiseman brings 25 years of engineering and project management experience in the energy industry, with projects spanning across the globe. Wiseman has led complex energy projects through the value stage-gate process — to minimize risk and improve project outcomes — from asset acquisition to decommissioning. He has also worked on every type of oil and gas production facility, both onshore in the Arctic and offshore at remote locations.

Throughout his engineering and project roles, Wiseman has focused on how new technology can make projects safer and more efficient. He helped develop a diver-less pipeline repair system for offshore lines, and multi-diameter pigs for commissioning and maintenance of the record-setting BP Mardi Gras system. His Out of Service Pipeline field study for the Minerals Management Service, now the Bureau of Safety and Environmental Enforcement, is still used by operators worldwide for re-use and restart of critical infrastructure. As a project leader, he has worked on projects in Alaska, the Gulf of Mexico, Israel, Russia and Africa.

Prior to joining Coffman, Wiseman was the capital project lead for Tesla's first lithium refinery engineering, procurement and construction project. Before his role with Tesla, he served as Santos' senior vice president and project director, leading their Pikka project on the North Slope.

Wiseman earned his Bachelor of Science and Master of Science in civil and environmental engineering from the University of California, Berkeley.

At Coffman, Wiseman will work on a wide range of energy projects, including alternative energy and oil and gas. Wiseman's experience in the asset development process at oil and gas companies helps him guide energy projects on the right course, from concept selection through front-end engineering and design to execution, commissioning, and startup.

"We are excited to have James on board to provide leadership and guide new energy projects. His extensive domestic and international experience in the energy industry will be a tremendous asset to our clients," said Project Management Principal Rob Wasserman.



JAMES WISEMAN

ABR publishes landmark study of Arctic subsistence fishery

ABR Inc. recently announced the publication of a long-anticipated analysis of 30 years of subsistence harvest monitoring data collected on the Colville River delta in collaboration with the community of Nuiqsut, Alaska. "Factors influencing harvest success for an Arctic under-ice subsistence fishery," published in Polar Science, analyzes a long-term fishery

dataset to find that, in addition to the recruitment of young fish to the river, westerly wind speed, salinity and week-of-year affect fish catch rates. Long-term fishery datasets are particularly rare in Arctic environments and are essential to understanding the variability in harvest rates. The fishermen and women of Nuiqsut are the major stakeholders in the management of this fishery, working with local and regional governments, as well as industry, to ensure that harvest efforts and results are closely monitored. They have shared their local knowledge of fishery trends and reported daily harvest data to fishery monitors each fall for decades. While lead author John Seigle has led harvest data collection in the fishery for 17 years, providing him with extensive insight into the factors influencing harvests of Arctic cisco in the region, the sharing of community knowledge has contributed greatly to our understanding of the fishery trends in the Colville River delta. The long-term monitoring effort detailed in this study will continue to inform sustainable fisheries management in the face of a rapidly changing climate and with ongoing infrastructure development in the region.

For more information visit <https://doi.org/10.1016/j.polar.2024.101126>.



COURTESY ABR

Companies involved in Alaska's oil and gas industry

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NUNA FIRST OIL

Drilling at 3T began in September and is expected to continue for the next few years.

Nuna is projected to boost Kuparuk's production in the coming years, reaching a peak rate of 20,000 net barrels of oil equivalent per day.

"We are thrilled to announce the first oil milestone from the Nuna project," said Michelle Bundy, Nuna Project Integration Manager at ConocoPhillips Alaska. "This achievement is a testament to the dedication and expertise of our incredible team. Delivered ahead of schedule and under budget, the project showcases our commitment to safety and execution excellence. We couldn't be prouder of the collaborative effort that made this milestone possible."

Year-to-date, ConocoPhillips Alaska has invested more than \$2 billion in Alaska projects and will continue to invest about \$1 billion each year to grow its Alaska legacy business with projects such as Nuna.

Background

On June 1, 2023, ConocoPhillips Alaska announced that funding had been approved for developing the Nuna project from Drillsite 3T, or DS 3T, on the northwestern edge of the unit.

The company said development of Nuna through existing KRU facilities would minimize environmental impacts because "the tract owners will not have to build stand-alone processing facilities solely for the benefit of these areas."

At that time first oil was anticipated by early 2025, not mid-December 2024.

Two years earlier, on Aug. 14, 2019, Alaska's Division of Oil and Gas approved the 12th expansion of the Kuparuk River unit, incorporating 19,177.50 acres in Torok PA leases, effective June 1, 2019. Those leases had just been acquired via a purchase and sale agreement between ConocoPhillips Alaska and Caelus Natural Resources Alaska.

The Nuna prospect was originally associated with the Oooguruk unit but could be accessed from existing facilities at Oliktok Point, located within the Kuparuk River unit.

Based on an initial exploration program at Nuna in 2012, then-leaseholder Pioneer Natural Resources estimated ultimate oil recovery between 75 million and 100 million barrels of oil from the Torok formation of the Brookian sequence at Nuna. Caelus later estimated that Nuna could produce 25,000 barrels of oil per day over 20-30 years. (Pioneer discovered Nuna in 2012 and drilled two exploration wells before selling the prospect to Caelus in 2014. Caelus installed the pad.)

Caelus sanctioned a \$1.4 billion Nuna development in 2015, underpinned by royalty modification from the state. But the company postponed the project because of economic concerns and ultimately sold the Oooguruk unit to minority partner Eni and the Nuna satellite to



ConocoPhillips Alaska.

In mid-2021, ConocoPhillips announced the Coyote discovery east of Nuna. At the time, ConocoPhillips Alaska President Isaacson said Coyote was in the Brookian topset above the Nuna Torok discovery, describing Coyote as shallow, i.e. a Nanushuk play.

Drill site 3T is the new name for the expanded Nuna pad, which Pioneer built to support its Nuna work back in 2012 and 2013, when the project was still an Oooguruk satellite.

About the company

According to its website ConocoPhillips Alaska has been a leader within Alaska's oil industry for more than 50 years. The company is committed to operating with the highest safety standards, responsibly developing Alaska's resources, promoting economic opportunity for Alaska, and being a valuable community partner. For more information, visit www.conocophillipsalaska.com. ●

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OIL PRICES

price because there's more risk of supply," Flynn said. "I think WTI may even have been a little bit higher if it weren't for the strong dollar."

As 2023 ended, ANS was at a 72-cent premium over Brent, but the dynamic shifted and by Dec. 31, 2024, Brent was poised at a \$1.21 premium over ANS, while ANS was at a \$1.71 premium over WTI.

Part of the reason for the relative ANS price weakness was that China's economic woes in latter 2024 reduced demand for Pacific seaborne crude cargoes on the West Coast where ANS is sold. China crude demand has also been impacted by a shift to electric cars and LNG-fueled trucks.

But traders are beginning to hold out some hope for renewed crude demand in China. The ANS loss for the year would have been more pronounced had it not been for stimulus measures announced recently by the Chinese government, designed to juice its economy out of COVID pandemic related malaise.

ANS closed at \$71.10 Dec. 23, and it gained \$2.33 in subsequent days to reach its \$73.43 price on Dec. 31.

On Dec. 27, prices were sweetened as the U.S. Energy Information Administration data revealed a robust draw-down of U.S. crude supplies. ANS gained 75 cents to close at \$72.16, WTI gained 98 cents to close at \$70.60, and Brent gained 91 cents to close at \$74.17.

U.S. commercial crude oil inventories for the week ending Dec. 20 — not including Strategic Petroleum Reserve supplies — plunged by 4.2 million barrels from the previous week to 416.8 million barrels — 5% below the five-year average for the time of year, the EIA said. Total motor gasoline inventories jumped 1.6 million barrels for the period, but distillate fuel inventories decreased by 1.7 million barrels.

As Petroleum News goes to press, crude traders await the latest inventory data from the EIA Weekly Petroleum Status Report for the week ending Dec. 27, which was delayed until Jan. 2 due to the New Year holiday. Analysts answering a Reuters poll released Dec. 31 expected U.S. crude oil inventories to decline for the week, while motor gasoline inventories increase, and distillate levels fall.

ANS slid 44 cents Dec. 26 to close at \$71.41, while WTI slid 48 cents to close at \$69.62, and Brent edged 32 cents lower to close at \$73.26.

War premium heats up

Crude prices found additional support Dec. 27 after Israel mounted a Dec. 26 aerial assault at locations in Yemen controlled by Houthi rebels, MarketWatch reported.

A "fear bid" from traders advanced futures prices, Tom Essaye, president of Sevens Report Research said.

Investors saw a particular risk of potential disruptions to oil shipments through the Red Sea, according to Bart

Melek, head of commodity strategy at TD Bank.

"This is a geopolitics-driven market," Melek said in an interview with MarketWatch.

"We're a little worried about events around the Red Sea and potentially getting shipments interrupted in the broader region," he added.

On Christmas Eve, ANS gained 75 cents to close at \$71.85, WTI lifted 86 cents to close at \$70.10, and Brent jumped 95 cents to close at \$73.58.

Crude was trading slightly higher Jan. 2 in Asian markets as Petroleum News went to press. It is the first trading of 2025 following the News Years Day holiday.

U.S. oil production hit a record high in 2024 according to the EIA, averaging 13.249 million barrels per day year-to-date through Dec. 13 — besting the previous record of 12.9 million bpd set in 2023.

The EIA said enhanced recovery techniques such as precision fracking and improved drilling technologies have boosted productivity.

European and Asian demand for U.S. crude has incentivized greater production, the EIA said. Reliable U.S. consumer demand for refined products combined with healthy refining capacity has been a recipe for domestic market stability.

The Permian Basin continues as the jewel of U.S. production, responsible for a significant share of the growth. ●

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MINKE PA

the Alaska Department of Natural Resources, division Director Derek Nottingham found that the formation of the 3,656.45-acre Minke participating area, or MPA, promotes conservation of all natural resources and the prevention of economic and physical waste, as well as provides for the protection of all parties of interest, including the state of Alaska.

CPAI submitted the MPA application on Sept. 13.

The state of Alaska, Arctic Slope Regional Corp. and the U.S. Bureau of Land Management jointly manage the CRU. The MPA contains jointly owned BLM and ASRC oil and gas leases. Approval by BLM and ASRC are also required before the MPA can be effective.

The CD5-32X exploration well was drilled from the CD5 pad in the first quarter of 2024 to test the Minke reservoir. The well was drilled vertically, reaching its total depth within the Minke formation.

The CD5-32X encountered approximately 440 feet of gross Minke formation, with the upper 100 feet of the formation being of particular interest due to its reservoir potential.

The CD5-32X was logged, cored and fracture stimulated. The well's flow test included a pressure build-up before the final flow test to evaluate hydrocarbon deliverability. The well achieved a peak rate of approximately 2,000 barrels of oil per day from the stimulated zone.

Additionally, the Minke formation has been penetrated in the intermediate hole section of several wells as part of exploration and development of deeper reservoir targets at CD5. Gross thickness in these penetrations ranges from 180 to over 500 feet. The Minke formation was not tested in any of these penetrations.

CD5-32X, to date, is the first and only well drilled in the CRU to test the Minke reservoir specifically.

Currently, there are no development wells targeting the Minke formation.

Reservoir characteristics

The Minke reservoir sands are broadly age equivalent to the Cretaceous Nanushuk formation. CPAI proposed defining the reservoir in the Minke PA as the accumulation of oil that correlates with the accumulation found in the CD5-22 well from 5,222 feet to 6,433 feet measured depth (-4,333 feet to -5,193 feet subsea true vertical depth).

This vertical definition is the same as the public testimony to the Alaska Oil and Gas Conservation Commission for Minke pool rules.

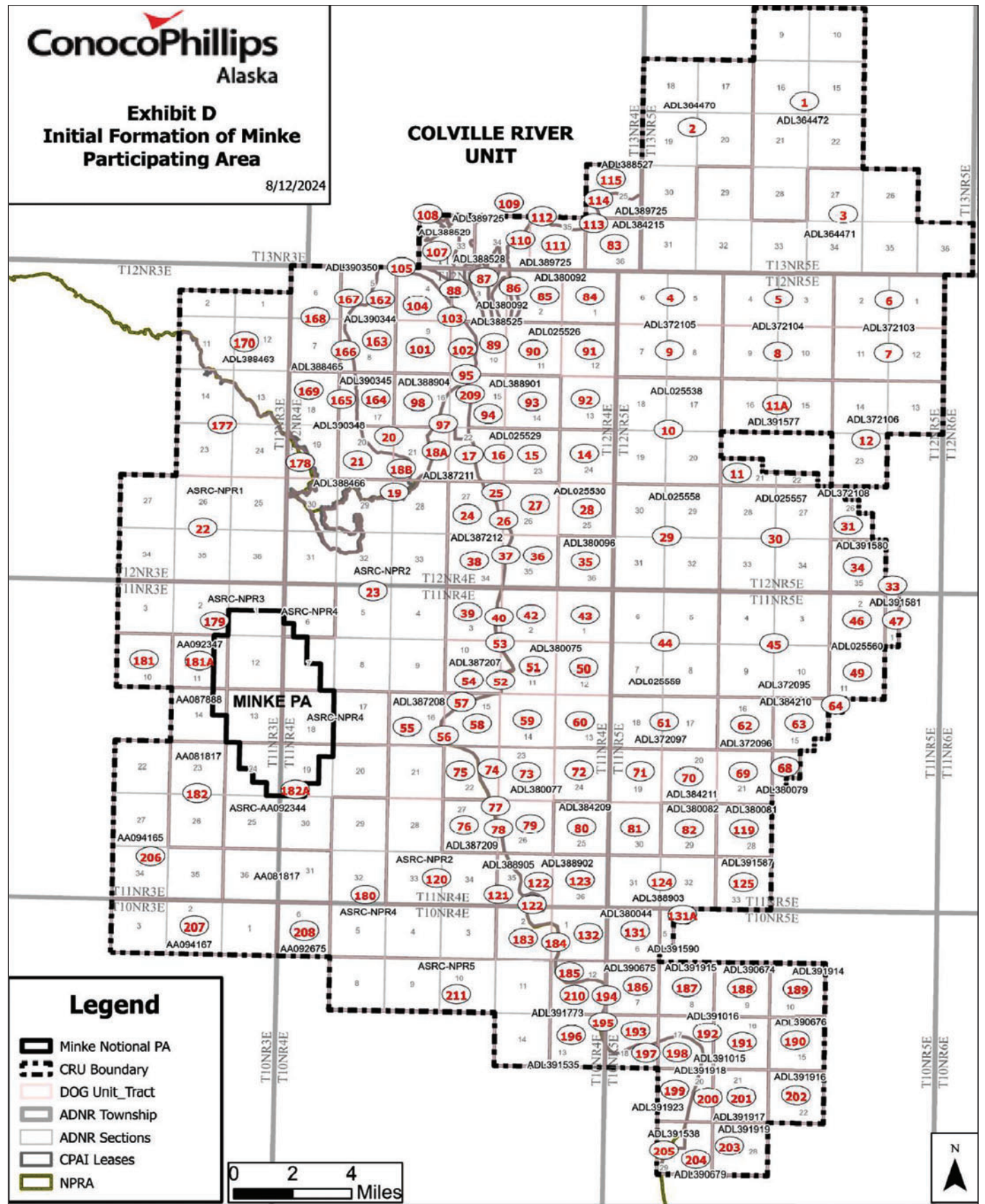
The Minke reservoir is a Brookian topset play. The upper confining interval is a flooding shale within the Nanushuk formation and the lower confining interval is a mud dominated heterolithic sequence in the Torok formation.

The Minke reservoir is found along a north-northeast striking shelf margin.

The Minke PA of the CRU proposed by CPAI is supported by the technical data submitted by the operator. Data submitted to the division include maps showing the proposed development wells, Minke type log, Minke net pay map, Top Minke structure map, and strike and dip cross sections through the proposed Minke PA.

CPAI also provided a technical review of their seismic interpretation of this area.

Review of the geological, geophysical, and engineering data has allowed the division to "reasonably establish the potential for successful sustained production of the Minke reservoir in the requested Minke PA acreage," the division said



in its approval.

Development plans

CPAI submitted a plan of development, or POD, for the MPA as part of their appli-

cation and met with the division for a technical presentation on Nov. 5.

CPAI's development plans include drilling and completing up to three Minke wells, with two planned for the initial

phase and one for a follow-up phase.

Wells will be drilled from the CD5 pad.

—KAY CASHMAN

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